

Available for Acquisition

Wholesale Nursery Company

One of the largest wholesale nursery companies in the Country producing a very broad mix of products



2012 Revenue: \$14,365,000

Southwestern US

2012 EBITDA: \$1,508,000

Large Well-Designed Facilities: The Company is one of the largest wholesale nurseries in the United States. Its 866 acre farm includes 400 acres of productive land and 1,000,000 square feet of greenhouse space. The size and design of the Company's facilities, as well as the climate and topography are unique and allow it to produce the very broad mix of product demanded by its major customers.

Product Mix & Licensed Products: The Company has the most complete product mix in the industry, with over 5000 different types of plant products. Increasingly, its major customers are demanding "more products from fewer vendors" as they rationalize and simplify their businesses. The Company is also known for bringing unique licensed products to the market.

Loyal Customers: The Company has well-established relationships with major customers such as Lowe's, Home Depot, Sears/Kmart, Costco, and Southerlands and it is known for its ability to respond quickly to customers' needs. There exist excellent growth opportunities within the existing customer base.

Strong Growth Potential: The Company could easily grow to \$50,000,000 in revenues with a very modest amount of capital expenditures. Management has identified many lucrative growth opportunities, including merchandising services for existing customers, new product demand, new outlets for existing products, as well as the continuing consolidation within the industry.

Key Management Staff Will Remain After Sale: All key employees, including the President/COO, VP of Sales, VP of Accounting, and the Production Manager are willing to remain with the Company in their existing positions after the sale.

eMerge M&A

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Business Summary

The Company was founded in September, 2000 and began with thirty acres being placed into production to supply one customer who is still one of its major customers. As the Company took on additional major customers such as Lowe's, Home Depot, Sears/Kmart, Costco, and AAFES, the 30 acres grew rapidly into what is now one of the largest producing wholesale nurseries in the country with one of the biggest assortments of plant material in the industry. The Company's revenues come from two areas; Live Plant Sales (95%) and Freight Hauling (5%).

The Company produces approximately 5,000 different species of landscape and patio plants in greatest demand by today's consumers. Of its 866 total acreage, 400 acres are currently in production in addition to 1,000,000 square feet of heated greenhouse space, 300,000 square feet of shade house, propagation facilities, shipping facilities, and office space. Of its total live plant sales during 2012, 18% of total sales were derived from the Company's own branded and licensed products.

The Company's revenue mix by customer type for 2012 was as follows: 35% - Independent Retailers, 30% - Home Centers, 25% - Mass Merchants, and 10% - Grocery/Club Stores. Customers accounting for greater than 10% of total revenues include: Sears/Kmart – 25%, Houston Plant & Garden World – 12%, Home Depot – 12%, and Lowe's – 12%. The Company's revenue mix by geography for 2012 was as follows: 60% - Texas / New Mexico, 20% - Southeast, and 15% - Midwest.

The Company's rapid growth, financed mostly with debt, has left the Company in an over-leveraged state prior to the current economic downturn. In March 2012, the Company filed for bankruptcy protection under Chapter 11 of the US Bankruptcy Code. The sale of the business is anticipated to be a sale of the assets and operations of the Company, subject to certain scheduled liabilities (to be determined). Once approved by the Bankruptcy Court, the new owners will control those assets free and clear of all past encumbrances, which will result in a significant deleveraging of the Company's balance sheet. Management believes that, once properly recapitalized, the Company will be able to pursue the significant growth opportunities already identified.

For more information on client #35998, please contact:

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